

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

In the Matter of the Application of )  
HAWAIIAN ELECTRIC COMPANY, INC. )  
For Approval to Commit Funds in )  
Excess of \$500,000 for Item )  
P0000423, Kailua Road Underground )  
Conversion. )  
\_\_\_\_\_ )

DOCKET NO. 03-0036

ORDER NO. 21463

RECEIVED  
2004 NOV 22 A 8:15  
DIV. OF CONSUMER ADVOCACY  
DEPT. OF COMMERCE AND  
CONSUMER AFFAIRS  
STATE OF HAWAII

Filed Nov. 17, 2004  
At 8 o'clock A.M.

Karen Higashi.  
Chief Clerk of the Commission

ATTEST: A True Copy  
KAREN HIGASHI  
Chief Clerk, Public Utilities  
Commission, State of Hawaii.

K. Higashi.



On October 29, 2003, HECO filed a Motion for Clarification of Decision and Order No. 20473 ("Motion for Clarification"), requesting clarification of ordering paragraph 1 "to make it clear that HECO has the burden of proof in its next rate case to show that its share of the cost of the proposed project should be included in rate base for ratemaking purposes, and that the [c]ommission is not excluding the costs of the Proposed Project (or, more correctly HECO's share of the project costs) from rate base for accounting purposes."

HECO states that if it were not allowed to include the project costs in its rate base, it must accumulate them in a separate account, until HECO's next rate case proceeding. This requirement "could imply that the costs have been disallowed, which is not the case. If the costs were disallowed, they would have to be written-off immediately."<sup>2</sup> It was not the commission's intent to disallow the project costs, as is evidenced by the approval of HECO's request to commit funds for the Proposed Project, but rather to limit the recovery of those costs from ratepayers, unless approval for such recovery is granted by the commission in a general rate increase proceeding. Accordingly, the commission concludes that ordering paragraph 1 of Decision and Order No. 20473, filed on October 1, 2003 should be amended to read:

"HECO's application, filed on February 13, 2003, to expend an estimated \$1,284,885 for Item P0000423, Kailua Road Underground Conversion, is approved; provided that no part of the

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<sup>2</sup>Motion for Clarification at 9-10.

project may be recovered from ratepayers unless and until the commission grants HECO recovery in a general rate increase proceeding."

II.

Order


THE COMMISSION ORDERS that HECO's Motion for Clarification is granted and ordering paragraph 1 of Decision and Order No. 20473, filed on October 1, 2003, in this docket is amended to read as follows:

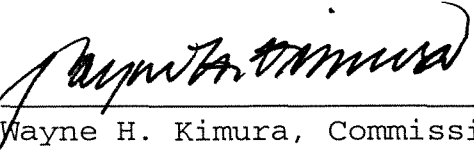
"1. HECO's application, filed on February 13, 2003, to expend an estimated \$1,284,885 for Item P0000423, Kailua Road Underground Conversion, is approved; provided that no part of the project may be recovered from ratepayers unless and until the commission grants HECO recovery in a general rate increase proceeding."

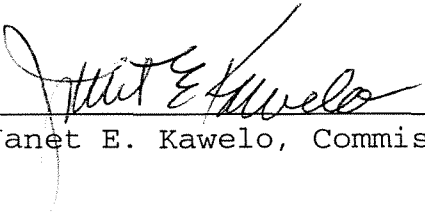
In all other respects, Decision and Order No. 20473 shall remain unchanged.

DONE at Honolulu, Hawaii NOV 17 2004.

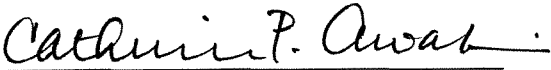
PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

By   
Carlito P. Caliboso, Chairman

By   
Wayne H. Kimura, Commissioner

By   
Janet E. Kawelo, Commissioner

APPROVED AS TO FORM:

  
Catherine P. Awakuni  
Commission Counsel  
03-0036.cc

CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Order No. 21463 upon the following parties, by causing a copy hereof to be mailed, postage prepaid, and properly addressed to each such party.

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS  
DIVISION OF CONSUMER ADVOCACY  
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HAWAIIAN ELECTRIC COMPANY, INC.  
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\_\_\_\_\_  
Karen Higashi

DATED: NOV 17 2004